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TURKS LINK TRADE TO PACT ON BASES, SURPRISING SHULTZ

By BERNARD GWERTZMAN

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ISTANBUL, Turkey, March 23 — Hopes for a quick renewal of American military base rights in Turkey appeared to falter today as Turkey insisted on linking the renewal to major trade concessions by the United States.

The new linkage, which seemed to have caught American officials off guard, provoked heated words this afternoon from Secretary of State George P. Shultz, who complained that the Turks had "sandbagged" him and accused them of "beating me over the head about it."

'Hit Behind the Ear'

"I have been brought here in order to have a nice luncheon and instead get hit behind the ear," he said at a luncheon here in his honor. The gathering was silent as he spoke.

Despite the harsh words between the two North Atlantic Treaty Organization allies, officials said there was no danger that the United States would be asked to give up the bases, which it continues to use during negotiations on a renewal of the existing accord.

American officials would like to conclude the negotiations soon, and there had been some hope that major progress could be accomplished during Mr. Shultz's trip, which continues in Ankara, the capital, on Monday.

Response to Luncheon Address

Mr. Shultz's remarks today were in response to a luncheon address by Sakip Sabanci, chairman of the Turkish Industrialists' and Businessmen's Association, who said the United States should "assist us not by aid, but by facilitating our export performance."

Mr. Sabanci complained that the United States, despite its support for free trade, had put up barriers preventing Turkish businesses from entering the American market. He specifically called on Washington to remove its quota on Turkish textile imports, which was \$120 million last year.

Increase in Quota Sought

In the first two days of Mr. Shultz's visit, Turkish officials have asked for the textile quota to be increased to about \$400 million. The United States has agreed to increase it only to about \$190 million.

Previously, Turkey had linked renewal of American rights at more than 15 military bases — some of them vital for gathering intelligence on the Soviet Union — to a high level of American military and economic aid.

Rights to the bases are provided under a five-year agreement on military and economic cooperation signed in 1980. The accord, which expired on Dec. 31, is to be automatically extended on an annual basis unless Turkey or the United States gives three months' notice of abrogation.

Although Turkey has not given formal notice of abrogation, it asked last

year for discussions to be held on the terms of the agreement. That request led to the current negotiations.

Turkey has charged that the United States has not met its aid commitments under the 1980 accord, and State Department officials said last week that the Turks wanted a formal treaty guaranteeing Turkey as much aid as the largest American aid recipient gets.

But the State Department officials said the United States opposed such a treaty, and Turkish officials said they did not believe it was realistic to count on a major aid increase now.

As a result, the Turks have sought more income by linking the base rights not only to aid but also to expanded trade opportunities in the United States textile market. This demand presents a new problem for the United States, particularly if other countries where there are bases, such as Spain, Portugal and the Philippines, seek to use them to gain trade benefits.

After the lunch today, Mr. Shultz took a boat ride on the Bosphorus and into the Black Sea, with Foreign Minister Vahit Halefoglu. They discussed the trade problems and other issues that are likely to arise in talks in Ankara on Monday and Tuesday.

American and Turkish officials said it did not appear that Mr. Shultz would leave Turkey with a signed agreement on the bases, as he had hoped. But some statement of principle may be worked out in the next two days to give a more positive character to the talks, American officials said.

No Crisis in Relations

Senior Turkish officials said there was no crisis in relations. Some American officials said they believed that the Turks were engaging in tough bargaining in the knowledge that the United States has more serious problems in renewing an accord on bases in Greece, which Mr. Shultz is to visit on Tuesday, Wednesday and Thursday.

The American side was hoping for an exchange of letters between Mr. Shultz and Mr. Halefoglu on the major issues between the two countries, opening the way to a formal renewal of the accord on military and economic cooperation. Such an exchange would put pressure on Prime Minister Andreas Papandreu to say whether Greece will renew rights to four bases when the current

accord expires in 1988. He has publicly said the accord should be ended, but American officials have said that is not necessarily the last word.

The Turks have been receiving slightly less than \$1 billion a year in economic and military aid and would like about \$500 million more. Because of spending reductions in Congress, the State Department has been unable to promise such a sum in preliminary discussions on the accord with Turkey.

In 1984, according to Commerce Department figures, the United States exported \$1.25 billion in goods to Turkey while importing \$433 million.

'It's the Reality'

In his sharply worded remarks this afternoon, Mr. Shultz said that as an economist believing in free trade he had to agree that the system of textile quotas "is a terrible system."

But he added, "It's the reality in the United States, so you have to cope with that reality."

He said he recognized that the amount offered for Turkish textile exports to the United States, which he said would amount to no more than 2 percent of the American textile market, did not satisfy the Turks.

"But that's the reality," he said. "So there's no point in bringing me here and beating me over the head about it."

"Now as far as open markets are concerned, since the United States imported last year on the order of \$135 billion to \$140 billion more than it exported, it's a little hard to come here and have you make the case to me that the United States doesn't have an open market," he said. He said the Administration was trying to "squeeze expenditures" and would be fortunate to see the \$1 billion aid program for Turkey survive in Congress.

"So I have come here in that spirit of friendship and partnership, and you have given me your reality here, that you don't like the way we have our market structure," Mr. Shultz said.

"We're prepared to work with you," he said. "We're prepared to look at your realities. But I think that you have to recognize that there are realities that we are trying to cope with as well."